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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000194

SIPDIS

FOR EAP/MTS

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TAGS: PGOV PINR KDEM MY

SUBJECT: ONE YEAR LATER, ANWAR IN DOLDRUMS, SODOMY TRIAL
AND NAJIB TAKEOVER LOOMING

REF: A. 08 KL 563 - ANWAR ON OFFENSIVE
1B. 08 KL 160 - ELECTION SHOCK

Classified By: Political Counselor Mark D. Clark for reasons 1.4 (b and d).

Summary and Comment

11. (C) Opposition leader Anwar Ibrahim on March 8 presided over a very modest event marking the one-year anniversary of the March 2008 election that ushered in significant opposition gains. Anwar's national address failed to stir the crowd or attract senior leaders from other parties in his People's Alliance (Pakatan). The government-dominated mainstream media downplayed the anniversary. The government has succeeded in shifting Anwar's consensual sodomy case to the High Court with the trial set to begin July 1. A brief encounter between Prime Minister Abdullah and Anwar on March 10 led to speculation of political maneuvering ahead of the early April transfer of power to DPM Najib, but both Abdullah and Anwar denied any agenda and well-informed observers dismissed this as "no big deal." The opposition has an uphill battle in the by-election in remote Sarawak due to the factors of logistics and patronage, but Pakatan leaders believe their chances are better in the other two by-elections on the Peninsula.

12. (C) Comment: One year after dramatic opposition gains, Anwar's flat performance on March 8 is symbolic of the dissipation of the political momentum he enjoyed in the months after the March 2008 election. In part, this reflects Malaysian politics entering a different phase, one of consolidation. After the high drama of his September 2008 ultimatum to bring down Abdullah's government, Anwar and other opposition leaders are pursuing the less dramatic but necessary spadework within Pakatan to bolster the still shaky alliance against continued challenges by the ruling UMNO party. In the coming months, Anwar must face not only his politically-motivated prosecution for consensual sodomy, but the imminent coming to power of his nemesis DPM Najib. Victories in upcoming by-elections, particularly the two races in Peninsular Malaysia, could give Anwar and his allies a tactical boost. End Summary and Comment.

Anwar Anniversary Address

13. (SBU) Poloff and FSN Political Specialist attended opposition leader Anwar Ibrahim's Peoples Justice Party (PKR) March 8 commemoration of the one-year anniversary of the March 2008 national election that catapulted Anwar back to

political prominence and resulted in PKR becoming the second largest party in Parliament. For the event, which took place in Pakatan-controlled Selangor, PKR chose the theme "People's Supremacy," a conscious decision to contrast with the ruling UMNO party's current focus on "Malay Supremacy." In the run up to the gathering, pro-opposition blogs and online news portals billed Anwar's expected speech at the function as the "State of the Federation Address" much anticipated by PKR and its coalition partners. At the event itself, however, we found none of the top leaders from the other two opposition coalition members, the Islamic Party of Malaysia (PAS) and the Democratic Action Party (DAP). Many Pakatan leaders from Selangor, the state hosting the function, were also conspicuously absent. In his address, Anwar reiterated the need for party and coalition unity; the successes of Pakatan-controlled state government policies; and the importance of "people's supremacy over Malay supremacy," the latter of which only enriched key UMNO leaders. Concluding his forty-minute speech, which drew a modest response from the crowd of 1,000, Anwar proclaimed that an administration with Najib Tun Razak as Prime Minister would be "cruel, conniving and will abuse power."

¶4. (C) PKR Youth leader Johnson Chong explained to us that the absence of senior Pakatan leaders was due to their preoccupation with March 8 commemorative events within their respective states and parties. Despite his explanation, other Pakatan events on the one-year anniversary appeared to be few and inconsequential.

GOM-Directed Media Downplays Anniversary

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¶5. (SBU) The government-dominated mainstream media downplayed the first anniversary of the historic March 8, 2008, general election that saw the ruling National Front (BN) lose four more states (Perak, Selangor, Penang and Kedah, in addition to Kelantan) and for the first time in Malaysian history its two-thirds majority in Parliament. Instead, the mainstream media focused on the economic crisis and the government's March 10 unveiling of its economic stimulus package. The media did carry interviews of people expressing their frustration over the "intense politicking" ("engineered by the opposition") that has enveloped the nation since the March 2008 general election and the people's desire for politicians to concentrate their efforts on the economic crisis.

Anwar's Trial Moves to High Court, Date Hurriedly Set

¶6. (C) Two days after Anwar commemorated the 2008 elections, he lost his longstanding battle to have his pending trial on charges of consensual sodomy remain with the Sessions Court, generally seen as a less politicized venue than Malaysia's High Court. On March 10, a Sessions Court judge complied with a March 5 High Court ruling in the government's favor, ordering transfer of the case to the High Court. The High Court found that the lower court had no authority to refuse the transfer order from the Attorney General. Anwar's lawyers filed an appeal to the decision. Nevertheless, within hours of the transfer decision, the High Court fixed July 1 as the trial start date after the defense team objected to the judge's suggestion the trial begin in May. One High Court judge, Mohd Zabidin Mohd Diah, rather than a panel, will preside over the trial. A lead lawyer for Anwar alleged to us that Judge Zabidin is "beholden to the government and does not have a backbone." Anwar's defense team also pointed out the High Court's "rush" to fix an early trial date; with its backlog, the High Court has been known to take two years or more to schedule criminal trials.
(Comment: The shift of Anwar's trial to the High Court was almost inevitable, even according to Anwar's own lawyers who nevertheless argued the point and achieved a tactical success

by delaying the trial by perhaps six months. We do not have further information yet on the reputation of High Court Judge Zabidin. End Comment.)

Abdullah and Anwar Lunch Encounter: "No Big Deal"

¶ 17. (SBU) Anwar was also in the spotlight following a March 10 encounter between the opposition leader and outgoing Prime Minister Abdullah Badawi, which fueled momentary speculation of a political plot. Abdullah and Anwar both attended and briefly exchanged words at a lunch hosted by prominent religious figure Sheikh Mahmud in conjunction with the Prophet Muhammad's birthday. Subsequently, pro-opposition and other internet sites went into overdrive speculating on alleged political intrigue behind Abdullah and Anwar's exchange, intimating that it could spell trouble for the handover of power to DPM Najib only three weeks away. One PKR leader told us the meeting was pre-arranging, hinting at a veiled significance. For their part, both Abdullah and Anwar went on record that this was a brief, chance encounter divorced from any political agenda. A number of experienced political observers whom we contacted dismissed the importance of the March 10 lunch exchange. In the words of one seasoned political reporter, the encounter was "no big deal," pointing out that in the run-up to Najib taking over as Prime Minister "everything becomes ultra-sensitive."

April 7 By-Elections -- Referendum on BN?

¶ 18. (C) Embassy contacts view the three by-elections scheduled for April 7 in Perak, Kedah and Sarawak states, respectively, as a referendum on BN under the leadership of DPM Najib who plans to succeed PM Abdullah by early April. Najib announced the BN candidates for the three elections on March 14, while Pakatan should make known their candidates a few days before the March 29 nomination day. Both BN and Pakatan leaders have expressed their confidence in winning the seats. The Kedah race is likely to pit an ethnic Indian candidate from PKR against the already announced ethnic

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Indian candidate from BN's ailing Malaysian Indian Congress (MIC), leading Pakatan leaders to be optimistic. PAS leaders told us they retain grassroots support in Perak. In Sarawak, BN appears to have a clear advantage as it can utilize state government logistics, including helicopters and boats, to reach the remote constituency of some 8,000 voters, who in the past have been heavily influenced by the state's BN patronage network. As a measure of the government's view of the seriousness of the by-elections, senior Malaysian military officials have canceled previously scheduled travel to be on hand for April 7, according to DAO contacts.

KEITH